

# NORTH DAKOTA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

## Overview

North Dakota provides a tax credit of up to \$200 - \$500 per vehicle on conversions to alternative fuels. Montana-Dakota Utilities Co. provides a 10% credit on the purchase of natural gas vehicles (NGVs), and case-by-case incentives on the conversion of vehicles to natural gas or liquefied petroleum gas (LPG).

## Highlights

- \$ Up to \$200 - \$500 per vehicle state tax credit of 10% of the cost of conversion equipment
- \$ Up to \$500 from Montana-Dakota Utilities Co. on a 10% credit for the incremental cost of purchasing the natural gas option on an original equipment manufacturer (OEM) vehicle

## State Incentives

- \$ The state provides a tax credit of 10% of the cost of conversion equipment up to \$200 per vehicle with gross vehicle weight (gvw) less than 10,000 lbs., and up to \$500 per vehicle with gvw greater than 10,000 lbs. The tax credit expires on December 31, 1997. For additional information, contact Kim Christianson, Office of Intergovernmental Assistance, at (701) 328-2094.

## Utility/Private Incentives

- \$ Montana-Dakota Utilities Co. provides a 10% credit on the incremental cost of purchasing the natural gas option on an OEM vehicle, up to \$500. Montana-Dakota Utilities Co. also offers incentives for conversions to compressed natural gas (CNG) on a case-by-case basis. Two subsidiaries of Montana-Dakota Utilities Co. offer incentives for conversions to LPG, on a case-by-case basis. Montana-Dakota Utilities Co. operates 5 CNG refueling stations in North Dakota. Contact Bruce Nelson at (701) 222-7784 for additional information.

**The National Ethanol Vehicle Coalition (NEVC)** is part of a joint public/private partnership to promote 85% ethanol (E85) as an alternative transportation fuel. Through a pilot grant from the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 refueling facilities. For additional information contact, Phil Lambert at (314) 635-8445.

## Laws & Regulations

The Governor has proclaimed that all state vehicles must be fueled with 10% ethanol by volume (E10) when possible. In practice, E10 is only used at state refueling stations when the price is within 2¢/gallon of gasoline.

Since 1987, the state has provided a corporate or personal income tax credit for the construction of certain new fuel ethanol plants in the state. The North Dakota State Bank provides loan guarantees for construction of production facilities for ethanol in the state.

In 1993, House Bill (HB) 1016 was enacted to provide an appropriation for fuel ethanol production incentives.

Senate Bill 26 (1995) extended the ethanol incentives and appropriated up to \$3,657,000 in funds for an incentive of 40¢/gallon for agricultural fuel produced and sold in North Dakota.

HB 1134 (1995) sets limits on what any single company can receive in ethanol incentives.

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### *Points of Contact*

#### **North Dakota State Energy Office**

Office of Intergovernmental Assistance  
Kim Christianson (701) 328-2094

#### **Montana-Dakota Utilities Co.**

Bruce Nelson (701) 222-7784

#### **National Ethanol Vehicle Coalition**

Phil Lambert (314) 635-8445

#### **North Dakota State Transportation Contact**

Department of Transportation  
Paul Feyereisen (701) 328-2543

#### **U.S. Department of Energy**

##### **Regional Support Office**

Denver Regional Support Office  
Laura Adducci (303) 231-5750  
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#### **U.S. Department of Transportation Contacts**

##### **Federal Highway Administration**

Region 8  
Robin Smith (303) 969-6712

##### **Federal Transit Administration**

Region 8  
Don Cover (303) 844-3242

#### **General Services Administration**

##### **Regional Fleet Manager**

Region 8  
Irv Merwin (303) 236-7591

#### **U.S. Environmental Protection Agency**

##### **Regional Pollution Prevention Coordinators**

Region 8  
Laura Farris (303) 312-6883  
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